

**MINUTES OF THE SPECIAL MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS**

March 9, 2010 – 3:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
.....

Present: Carl Ford, Chairman
Chad Mitchell, Vice-Chairman
Jon Barber, Member
Raymond Coltrain, Member
Tina Hall, Member

County Manager Gary Page and County Attorney Jay Dees were present. Clerk to the Board Carolyn Athey and Finance Director Leslie Heidrick were absent.

Chairman Ford convened the meeting at 3:00 pm.

Chairman Ford provided the Invocation and also led the Pledge of Allegiance.

Chairman Ford welcomed Senator Andrew Brock and the candidates running for County Commission who were in the audience. Chairman Ford also thanked the members of the Economic Development Commission and other guests in attendance.

1. UPDATE REGARDING RECENT JOB ACTIVITIES

Economic Development Director Robert Van Geons said he was before the Board as RowanWorks and was preparing to close out the first fiscal year under the new name. Mr. Van Geons provided a power point presentation as he explained that there were two (2) separate branding initiatives that had been consolidated to streamline marketing. Mr. Van Geons said although there was a new logo; the mission remained the same. Mr. Van Geons said the bottom line came down to keeping existing jobs, adding new jobs and increasing the tax base to keep the burden down for citizens. Mr. Van Geons said ultimately RowanWorks strived to build a financially sustainable community.

Mr. Van Geons said a non-residential tax base was needed in order to keep the tax rate low and provide the services citizens' desire. Mr. Van Geons listed the mission components as:

- proactive business retention
- targeted asset development
- marketing
- recruitment
- community assistance/grant identification
- legislative engagement
- civic engagement/business networking

Mr. Van Geons said the term “SOR” meant start of the recession. Mr. Van Geons used the power point presentation to show a graph of regional unemployment claims. Mr. Van Geons described the caterpillar effect as a series of minor starts and stops, reactions to the recession and changes in consumer spending.

Mr. Van Geons said since 2006, 4,900 jobs had been lost in Rowan County. Mr. Van Geons said all the recent employment opportunity increases still did not equal the lost 4,900 jobs. Mr. Van Geons said there were a number of challenges left and he discussed the problems with finances and consumption.

Mr. Van Geons used the power point to show the statistics regarding unemployment and the average length of unemployment. Mr. Van Geons said the County did have the best period in economic development “post recession” that it had at any time in the organization’s existence. Mr. Van Geons stated more projects were announced after the SOR than in the seven (7) years prior.

Mr. Van Geons stated \$663.6 million in projects were currently under construction. Mr. Van Geons listed the projects as:

- Duke Energy - \$600 million (\$284 million est. impact) – under construction
- Harmony Labs - \$3.5 million- 50 jobs – underway
- Altec \$1.5 million - 15 jobs- \$225,000 grant for sewer – construction begins February/March
- Henkel Corporation - \$23.7 million – 103 jobs – under construction
- STG - \$11 million – 223 jobs – purchase complete
- Heat - \$400 million – pending
- Freightliner - \$15.9 million – 150 proposed recalls – new line under construction
- Magna - \$8.0 million + 162 new jobs – additional news pending

Mr. Van Geons said a total of 703 jobs had been obtained. Mr. Van Geons highlighted several projects which started prior to the SOR as:

- Toyota Racing Development project was complete, employment goals met
- PGT continues to add jobs
- Akzo Nobel added jobs and investment in 2009

Mr. Van Geons said the current activity was the highest it had ever been with current activity including: existing and new industries, existing buildings and new construction, strong international presence, diverse types and market segmentation, and consolidation and future markets.

Mr. Van Geons stated RowanWorks was working with local entrepreneurs, existing industry, new recruitment and other unique projects ranging from non-traditional power generation to food processing operation and consumer products.

Mr. Van Geons said one of the primary roles of economic development was to mitigate risks for stakeholders. Mr. Van Geons described the ways RowanWorks had adjusted to provide as much engagement as possible including holding Saturday hours.

Mr. Van Geons summarized the bottom line since the SOR and noted when all pending projects were completed the total annual revenue would be approximately \$4,448,220. Mr. Van Geons stated “we have done more with less” and he highlighted funding for the Economic Development Commission (EDC) since 2004. Mr. Van Geons said since fiscal year 2004-2005 the total funding had decreased \$150,000 while the County’s tax base had grown 22%.

Mr. Van Geons said at the end of the next fiscal year the last of the fund balance would be used and without additional funding resources, some programs would not be continued.

Mr. Van Geons concluded by saying RowanWorks had done more than it ever had and it could continue to do more; however, additional resources would be needed.

Commissioner Barber asked Mr. Van Geons to email the presentation to the Clerk to the Board for distribution to the Commissioners.

Commissioner Barber asked Mr. Van Geons what the top factors were in attracting interest in Rowan County. Mr. Van Geons responded that some say cultural assets and the symphony in downtown attracted companies while others involved in economic development attributed massive incentives as the draw. Mr. Van Geons said the variables were different for each company; however, there were multiple reasons for each case. Mr. Van Geons said the site, infrastructure, reasonable tax rates, incentives and a good quality of life were attractions to companies. Mr. Van Geons touched on the fact that Rowan County had the best 60-minute drive time demographic in the southeast outside of Atlanta.

Commissioner Barber said thanked the EDC for the most recent Coalition for Positive Change and inquired about the idea of new funding brought up at the

forum. Commissioner Barber asked there would be any other “tweaking” of the investment grant policy as a result of new ideas. Mr. Van Geons said something was needed to help the smaller companies with acquiring equipment, hiring employees and other small items.

Commissioner Barber thanked Mr. Van Geons for the professional marketing and wonderful job the EDC was doing.

Commissioner Coltrain thanked EDC staff for the presentation. Commissioner Coltrain questioned the types of industries for the current projects. Mr. Van Geons responded food processing, chemical processing, small manufacturing, specialty manufacturing and non-traditional staples.

Commissioner Coltrain said the best way to attract new industry was for a current owner to share comments with other people within their respective industries. Commissioner Coltrain referred to RJI, a group of private citizens, and expressed hope the group was still active as ambassadors for Rowan County.

Commissioner Coltrain questioned the level of interest for the project at the Airport and Mr. Van Geons said the interest was strong; however, the company was represented by a very aggressive consultant. Mr. Van Geons said the County had a unique asset in the layout of the Airport with acreage inside and outside of the fencing. Mr. Van Geons said he was unsure as to how many other places Rowan County was competing but it was a good sign that the company had repeatedly been back to consider Rowan County.

Commissioner Coltrain said he was a part of an organization that met monthly and included nine (9) counties in the metrolina area and met monthly. Commissioner Coltrain noted it was not Centralina Council of Governments. Commissioner Coltrain said Rowan County was the envy of the other counties due to its location and resources.

Commissioner Coltrain asked if some of the EDC Board members could review the County’s incentive policy from its inception and report back on the changes made over the years and how the incentives had been dispersed.

Mr. Van Geons said he would be happy to review the policy. Mr. Van Geons said Rowan County’s policy ensured that companies must perform.

Commissioner Coltrain again thanked Mr. Van Geons for the presentation.

Commissioner Hall said jobs were the number one priority and she expressed hope for better times ahead. Commissioner Hall said it was good to know Mr. Van Geons was working hard to bring in extra jobs and the fact that there was the potential for over 1,000 more jobs.

Commissioner Hall questioned the graph regarding unemployment rates. Mr. Van Geons explained that unemployment rates were a mathematical equation of those registered and looking for work, and individuals who were working and how they relate. Mr. Van Geons said “if you fall off the unemployment rolls, if you stop receiving benefits, you just give up, you come out of the labor force so you are not employed but you are no longer considered in that percentage.” Mr. Van Geons said the unemployment rate did not account for individuals who were underemployed or individuals working off the books.

Commissioner Hall asked Mr. Van Geons to estimate the combined total for underemployed and unemployed percentages. Mr. Van Geons said it would be difficult to tell; however national numbers would be approximately 20-22%.

Commissioner Hall expressed appreciation for the work of the EDC. Commissioner Hall commented that Mr. Van Geons had also discussed his budget request and noted she was unaware the EDC budget would be discussed. Commissioner Hall asked how much Rowan County contributed to the EDC and Mr. Van Geons said he thought it was \$289,000.

Commissioner Hall said the second largest funding partner was the City of Salisbury and she asked how much the City contributed to the EDC. Mr. Van Geons said he was unsure but estimated the contribution to be \$40,000. Mr. Van Geons said he could send the information later. Mr. Van Geons said funding was allocated based on tax based within a jurisdiction.

Commissioner Hall inquired how much of an increase the EDC asking of other funding partners in Rowan County. Mr. Van Geons said right now it seemed as though the EDC was asking the County for help this year due to the fact that the formula had not been revamped entirely. Mr. Van Geons said there was a request for Kannapolis to return to the EDC and some of the other towns. Mr. Van Geons noted that total resources were down \$150,000. Mr. Van Geons said once everyone was “in-line” the County’s percentage would be lower than what had been done previously.

Commissioner Hall noted the new logo was very attractive and asked for clarification on how the EDC worked with RJI. Mr. Van Geons said RJI was a good group of supportive citizens with their own funds. Mr. Van Geons said RJI was a separate entity and requests were made to them for their board to decide how to allocate funds. Mr. Van Geons said RJI had expressed an ongoing interest in working with Rowan County. Mr. Van Geons said he had hoped to be able to work with RJI; however, up to this point there had not been time.

Commissioner Hall said there was only one organization that spoke for Rowan County and that was the EDC. Mr. Van Geons said that was correct.

Commissioner Hall asked how much fund balance was left and Mr. Van Geons said approximately \$50,000 was projected in fund balance for the end of the year. Mr. Van Geons said the shortfall would be around \$49,000 to keep the same budget for the next year.

Commissioner Hall asked if Mr. Van Geons was aware of how much RJI had in its fund balance. Mr. Van Geons said he was not aware.

Commissioner Hall asked how cap and trade specifically affected Rowan County. Mr. Van Geons said there was a cost to legislative changes. Mr. Van Geons said he preferred to incentivize success than punish unfavorable behavior. Mr. Van Geons said adding legislation burdens, tax burdens or expense burdens dampened the economic climate. Mr. Van Geons said the Check Card was potentially the most devastating piece of legislation.

Commissioner Mitchell said the main point was the number of jobs lost from 2006 to the present, which was the area the Board needed to work on. Commissioner Mitchell said the Board's actions would be useless unless a commitment was made to get those 4,900 people back to work.

Commissioner Mitchell said a \$49,000 increase to the EDC's budget was not unreasonable and he felt the Board should look at the request closely. Commissioner Mitchell reemphasized the importance of finding jobs for the 4,900 people and said he would not rest until the 4,900 needing jobs was down to zero.

Mr. Van Geons agreed with Commissioner Mitchell and said finding ways to get the economy moving forward should be the primary focus.

Chairman Ford said he had heard comments regarding a large retailer coming to Rowan County. Mr. Van Geons said the EDC did work on retail development and the interest with retail had not spiked as much as other types of interest. Mr. Van Geons said he thought it would be awhile before retail opportunities picked up due to the economy.

Chairman Ford said Mr. Van Geons had mentioned the Research Campus and noted that most individuals did not know a small portion of the campus was located in Rowan County.

Mr. Van Geons said Rowan County recently partnered with the Research Campus, Cabarrus County and the NC Biotech Center in front of some of the largest pharmaceutical companies in the world in small group meetings. Mr. Van Geons said the pharmaceutical companies had a significant log of new products coming down the line and were expressing their optimism with the products. Mr. Van Geons said the County was also in front of the international food technology show. Mr. Van Geons discussed the importance of having the research center as a tool for marketing.

Chairman Ford said he knew there had been some interest from NASCAR and asked if Rowan County had a chance of getting any teams to locate in Rowan County. Mr. Van Geons said he thought Rowan County had a chance; however, he said the industry was still trying to “shake things out”.

Chairman Ford expressed his appreciation for Mr. Van Geons and his organization doing more with less. Chairman Ford thanked Mr. Van Geons for the presentation and for efforts to market Rowan County.

2. ADJOURNMENT

There being no further business to come before the Board, Commissioner Barber moved to adjourn at 4:29 pm. The motion was seconded by Commissioner Coltrain and passed unanimously.

Respectfully Submitted,

Carolyn Athey, CMC, NCCCC
Clerk to the Board